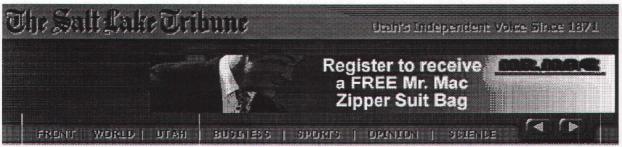
M/021/008

0010



Geneva to Draw Up Bankruptcy Plans

BY STEVEN OBERBECK
THE SALT LAKE TRIBUNE

Geneva Steel Co. said it expects to file a Chapter 11 reorganization plan with the U.S. Bankruptcy Court for Utah during the first quarter of 2000.

The filing of the plan, however, will depend on whether the Utah County steel mill can secure loan guarantees under the federal government's newly authorized "Emergency Steel Loan Guarantee Program."

Geneva intends to ask for the government loan guarantee next month. It now is negotiating terms with a major bank to serve as the primary lender, said Dennis Wanlass, the company's chief financial officer.

After blaming a flood of cut-rate foreign imports for its financial problems, Geneva Steel filed for bankruptcy under Chapter 11 provisions of the U.S. Bankruptcy Code in February.

Since then, Geneva's financial condition has continued to deteriorate.

On Wednesday, the company reported it lost \$185 million, or \$11.33 per share, for its fiscal year ended Sept. 30. A year earlier, the company reported a loss of \$18.9 million, or \$1.90 per share.

"We did have a loss, but right now it is also important to look at our cash flow," Wanlass said.

For most of the past year, Geneva's steelmaking operations were eating up cash. During October and November, however, the Vineyard-based company had slightly positive cash flow.

Dave Phelps, president of the American Institute of Imported Steel, said steel prices in the United States have been improving through most of this year. "Pipe especially has been going great guns," he said.

Earlier this month, Geneva announced it was raising the price of its steel plate by \$20 a ton for all new orders placed for shipment after Jan. 1. The company also logged a \$20 per ton increase in September.

During its most recently completed fiscal year, Geneva shipped 1.1 million tons of steel and generated sales of \$314 million. It shipped 2 million tons during the previous fiscal year.

